

Michigan Association of County Treasurers



Representation to the
House Committee on the Administration of Government
Wednesday, February 25, 2015

Executive Summary

County treasurers are constitutional, fiduciary officers who serve as "banker for the county," investor of surplus funds, and collectors of unpaid delinquent property taxes.


- Managing cash flow in (taxes, grants) and out (payroll, vendors).
- Investing surplus funds under Public Act 20 of 1943 and Public Act 314 of 1965.
- Administering property tax foreclosure process as "foreclosing governmental unit."

County treasurers promote the security and health of our finances and our communities. We appreciate the opportunity to partner with the Legislature in producing good public policy. Thank you!


MACT—the Organization

- The Michigan Association of County Treasurers (MACT) represents Michigan's 83 elected county treasurers, helping their representation of Michigan taxpayers.
- MACT has a legislative committee and engages in public affairs through the committee and its legislative co-chairs.

Mary Balkema
Kalamazoo County Treasurer



Andy Meunier
Oakland County Treasurer



Statutory Functions

1. **Cash management**—receive and account for all county money, working with auditors to ensure clean fiscal health. Manage this function with the help of private sector partners in the financial services sector.
2. **Investment of county funds**—invest surplus county funds, including trust funds and special revenue funds, following Public Act 20 of 1943 which generally requires an investment policy of safety first, then liquidity, and finally yield. Treasurer's serve as treasurer for county pension boards operating under Public Act 314 of 1963, which allows for a more robust set of investment vehicles, including stocks and bonds.
3. **Collection of delinquent property taxes**—County treasurer serves as foreclosing governmental unit for state in 74 counties, which involves many mandates under state law relating to noticing delinquent taxpayers, opportunities to be heard (show cause hearings), and in some cases tax foreclosure for non-payment of property taxes. Public auctions are held to sell foreclosed parcels.

Delinquent Property Tax Collection

- Property taxes not collected by local tax collecting unit during tax year are returned as delinquent to county treasurer for collection on next March 1
- A new law now allows local and county treasurers to voluntarily consolidate tax collection services, achieving cost savings and streamlining
- Collection of delinquent property taxes includes:
 - Notice of delinquent real property taxes and opportunity for taxpayers to be heard.
 - Additional interest and fees required under state law applied.
 - Foreclosed property offered for sale at one or more public auction sales by county treasurers, and
 - County treasurers take great strides to avoid foreclosure through payment plans.
- Delinquent tax revolving funds or "100% tax payment funds," which are sometimes maintained through the issuance of short-term bonds, help local governments and state meet their cash flow needs.

Major Issues for 2015-2016

- Notice Publication (HR 4039)
 - Separate from broader notice publication package, which MACF also supports.
 - Broader range of publication options including in-arts-to provide better notice to persons with interest in property with delinquent property taxes.
 - More cost-effective notice.
 - Passed House in 2014.
- Improvements in delinquent tax collection
 - Implementation of new 2011 public acts, including payment plans.
 - Other changes to improve process.
- County Bank Accounts
 - Joint effort with county clerks.
 - Current law requires county clerk to obtain bids for county depository accounts every two years.
 - Change outdated law to conform with Government Finance Officers' Association best practice for procurement of banking services.

Thank you for your attention
and dedicated public service!

Questions?

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